

Christopher Lynch or another authorized officer of Normandy shall execute any documents reasonably required to effectuate the sale or transfer of the escrowed shares and/or assets of Normandy.

7. Default.

(A) Acts of Default. The following shall constitute acts of default under this Agreement:

(1) The failure or refusal to pay any installment of principal and/or interest on the Promissory Note upon the due date of such installment.

(2) Normandy or Christopher Lynch filing for protection under any Federal or State Bankruptcy statute or other law for the benefit of debtors or making an assignment for benefit of creditors.

(3) Failure to keep the assets of Normandy adequately insured with the Stock Escrow Agent named as loss payee, subject, however, to the prior interest, if any, to the Bank providing the loan referred to in subparagraph 3(A) hereof. In the event of any insured loss, Normandy shall have the right or option to use the proceeds to rebuild the station and/or to repair or restore the damaged property. If Normandy so elects, the insurance proceeds shall be paid to the Stock Escrow Agent, who shall disburse the proceeds as construction and replacement of damaged property progresses. The new property shall likewise be insured with the Stock Escrow Agent named as loss payee.

If the Stock Escrow Agent has not received a written notice of an election to rebuild the insurance proceeds and/or replace the damaged property within ninety (90) days of payment of

the insurance proceeds, an amount of the proceeds equal to all sums remaining unpaid on the Promissory Note shall be paid by the stock Escrow Agent to Tonie Finch, and any balance shall be paid to Normandy.

(4) Loss of any necessary license to operate a radio station, and the lapse of any time period provided by law in which to appeal such determination.

(5) Entry of any judgment, warrant or lien (including tax liens) in excess of (\$ ) Dollars against Normandy or Christopher Lynch, and the failure to discharge the same by payment bonding or court order within sixty (60) days of the entry thereof.

(6) Transfer of any material portion of the assets of Normandy other than in the ordinary course of business.

(B) Notice and Opportunity to Cure. Upon occurrence of any default, the current holder of the Promissory Note shall have the right to declare a default by written notice given the persons and in the manner specified in Paragraph 10. Normandy and/or Christopher Lynch shall thereupon have a period of sixty (60) days after mailing of such notice to cure the default. In the case of default by reason of nonpayment, cure of such default may be made by full payment, in good, collectable funds, of the amount of any installment(s) plus interest accrued on the full amount of such installment(s) at the then prevailing note rate from the due date of

such installment(s) until the date of actual payment together with a late payment fee equal to  $\frac{1}{4}$  of a delinquent payment for each thirty day period, or part thereof of delinquency. If any default is timely cured, the holder shall have no further rights or remedies arising by reason of said default.

If the default is not timely cured within such 60 days, the holder shall have the right to accelerate the Promissory Note and to declare the entire remaining unpaid principal balance, and all interest accrued to date, to be immediately due and payable without further notice or demand. At such time, the holder shall have the right to sell the collateral subject to the security interest, including the escrowed shares, pursuant to Paragraph 6, and to pursue such other rights and remedies as may be provided under this Agreement or pursuant to applicable law. If the default is not timely cured, the holder shall have the further right to recover all costs and disbursements and reasonable attorneys fees as set by the court incurred to enforce the terms of this Agreement and/or to collect all amounts due under the Promissory Note, provided the holder substantially prevails.

8. Covenant Regarding Bankruptcy. Christopher Lynch and Normandy agree that they will not file a petition for a voluntary bankruptcy or reorganization under the Federal Bankruptcy Code within 6 months of the date of default of any installment of principal and/or interest due under the Promissory Note.

9. Lockwood Suit.

(A) Tonie Finch has previously commenced an action in the Supreme Court of the State of New York against the legal firm of Lockwood and Lockwood, in which she alleges that such firm committed malpractice (and/or related legal wrongs) in connection with the execution of the Stock Redemption Agreement. Christopher Lynch agrees to render reasonable cooperation in connection with the prosecution of such suit, including appearances at depositions and any trials or hearings. However, Christopher Lynch shall not be required to be made a party plaintiff to such action, but may become a party plaintiff if he so desires.

(B) Nothing contained herein shall be construed as preventing Christopher Lynch from instituting a separate malpractice action as plaintiff against Lockwood and Lockwood in his own behalf.

(C) Except as otherwise provided in Subparagraph (D), all sums recovered by either Tonie Finch or Christopher Lynch in any malpractice or related litigation against Lockwood and Lockwood (or any of such firm's members and associates, or any successor firm) shall be divided equally between Tonie Finch and Christopher Lynch.

(D) In the event that either Tonie Finch or Christopher Lynch is impleaded by Lockwood and Lockwood as a third-party defendant in an action brought by the other, or in the event that a counterclaim or crossclaim is made by Lockwood and Lockwood in an action involving both Tonie Finch and Christopher Lynch as plaintiffs, it is agreed that Tonie Finch and Christopher Lynch shall have no collection rights as against each other. That is, if

the trier of fact ultimately determines that the loss to one of them is due from and recoverable by reason of the wrongful act of the other, there shall be no recovery by one against the other.

10. Notices. All notices, offers, elections, waivers or other acts under this Agreement shall be in writing and shall be deemed sufficiently given if delivered to the addressee in person or if mailed by certified or registered mail, return receipt requested, to the following addresses:

Normandy Broadcasting Corp.  
17 Dix Avenue  
Glens Falls, N.Y. 12801

With copy to:  
Burke, Cavalier, Lyman & Shanley  
10 Thurlow Terrace  
Albany, N.Y. 12203

Christopher Lynch  
c/o Normandy Broadcasting  
Corp.  
17 Dix Avenue  
Glens Falls, N.Y. 12801

With copy to:  
Burke, Cavalier, Lyman & Shanley  
10 Thurlow Terrace  
Albany, N.Y. 12203

Tonie Finch  
Star Route, Ridge Road  
Glens Falls, N.Y. 12801

With copy to:  
Helm, Shapiro, Ayers, Anito &  
Aldrich, P.C.  
111 Washington Avenue  
Albany, N.Y. 12210

Any party may change his address for receiving notice by notice given to the other of such change in the manner set forth above.

11. Discontinuance of Action. At such time as all contingencies set forth in Paragraph 5 have been fulfilled, the parties shall execute and cause their attorneys to execute stipulations of discontinuance, discontinuing the litigation presently pending among them in the Surrogate's Court of Warren County.

12. Closing. The closing shall be held as soon as possible after financing of the down payment has been approved, but in no event later than March 30, 1984, the parties agreeing that time is of the essence. The closing shall be held at the office of Helm, Shapiro, Ayers, Anito & Aldrich, P.C. at 111 Washington Avenue, Albany, New York or at such other location as the parties may agree.

13. Construction and Miscellaneous.

(A) Entire Agreement. This writing and any exhibits attached hereto or incorporated by reference contain the entire agreement and understanding of the parties. There are no other understandings, terms, or conditions, oral or written, and neither party has relied upon any representation, whether oral or written, express or implied, not contained in this writing. All prior understandings, terms, conditions, or agreements are deemed superceded and/or merged in this writing, except that the Stock Redemp-

tion Agreement and the Original Note issued in conjunction therewith shall continue to have their present status if the transactions envisioned by this Agreement fail to close.

(B) Binding Effect. This Agreement shall bind and inure to the benefit of the parties, their respective heirs, personal representatives, successors (by merger, consolidation or otherwise) and assigns.

(C) Severability. In the event any parts of this Agreement are found to be void or unenforceable, the remaining provisions shall nevertheless be binding with the same effect as though the void parts were deleted.

(D) Governing Law. This Agreement has been negotiated, executed, and shall be performed in the State of New York and shall be governed by the laws of that State.

(E) Grammatical Usage. In construing this Agreement, feminine pronouns shall be substituted for those masculine in form (and vice versa), and plural terms shall be substituted for singular and singular for plural, in any place or situation where the context so requires.

(F) Captions. The captions to this Agreement are inserted only for purposes of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

(G) Modification or Waiver.

(1) Modification. This Agreement may not be changed, modified or rescinded orally. Any change, modification or

rescission need be in writing and signed by all parties.

(2) Waiver. Any waiver of the provisions of this Agreement shall not be effective unless made in a writing signed by the person against whom the enforcement of any such waiver is sought. A waiver given in any case shall only apply with respect to that particular act or omission, and shall not be effective as to further acts or omissions, regardless of whether they be of the same or similar nature.

(H) Counterparts. This Agreement may be executed in several counterparts, each of which shall be considered a legal original for all purposes. Any counterpart may be introduced into evidence in any action or proceeding based upon rights created herein without having to produce the others.

IN WITNESS WHEREOF, the parties have executed this Agreement.

NORMANDY BROADCASTING CORP.

  
Christopher F. Lynch, President

  
Christopher F. Lynch

  
Tonie A. Finch

Accepted March 22, 1984

KEY TRUST COMPANY, Stock Escrow Agent

By: 



STATE OF NEW YORK  
COUNTY OF ALBANY

} ss.1

On the 22nd day of March, 1984,  
before me personally came William Acitinger, to me  
known, who being by me duly sworn, did depose and say that he  
resides at: Swatoga, New York

that he is the Corporate Trust Officer of Key Trust Company, the corporation  
described in and which executed the foregoing instrument; that he  
knows the seal of said corporation; that the seal affixed to said  
instrument is such corporate seal; that it was so affixed by order  
of the Board of Directors of said corporation, and that he signed  
his name thereto by like order.

  
Notary Public

STATE OF NEW YORK  
COUNTY OF ALBANY

} ss.1

On the 22nd day of March, 1984,  
before me personally came Christopher P. Lynch, to me known, who  
being by me duly sworn, did depose and say that he resides at:

9510 Putnam Mills Road, West Fort Ann, New York

that he is the President of Normandy Broadcasting Corporation, the  
corporation described in and which executed the foregoing  
instrument; that he knows the seal of said corporation; that the  
seal affixed to said instrument is such corporate seal; that it was  
so affixed by order of the Board of Directors of said corporation,  
and that he signed his name thereto by like order.

  
Notary Public

ROLAND M. CAVALIER  
Notary Public, State of New York  
No. 4502178  
Qualified in Albany County  
Commission Expires March 24, 1985

STATE OF NEW YORK  
COUNTY OF ALBANY

} ss.1

On the 22nd day of March, 1984,  
before me personally came Christopher Lynch, to me know to be the

individual described in and who executed the foregoing instrument,  
and he acknowledged that he executed the same.

  
Notary Public

STATE OF NEW YORK  
COUNTY OF ALBANY

ROLAND M. CAVILLIER  
Notary Public, State of New York  
No. 4506178  
Qualified in Albany County  
Commission Expires March 28, 1984

On the 22<sup>nd</sup> day of March, 1984,  
before me personally came Tonie Finch, to me known to be the  
individual described in and who executed the foregoing instrument,  
and she acknowledged that she executed the same.

  
Notary Public

NOTARY PUBLIC  
STATE OF NEW YORK  
QUALIFIED IN THE COUNTY OF ALBANY  
BY COMMISSION EXPIRES MAR 28, 1984  
4506178

**PROMISSORY NOTE**

For value received, Normandy Broadcasting Corporation (hereafter "Normandy") promises to pay to the order of Tonie Lynch Finch (hereafter called "the Payee"), State Route, Ridge Road, Glens Falls, New York 12801, (\$ ) Dollars as follows: No payments shall be made until January 13, 1985 but simple interest at the rate of ( %) percent per annum shall accrue from January 13, 1984. The amount of such interest is (\$ ) Dollars which shall be capitalized and added to the principal balance of this note. The then principal balance of ( ) Dollars shall be paid, together with interest as provided herein, over a twenty (20) years monthly amortization schedule, but with all remaining principal and interest due at the end of ten (10) years. Simple interest shall accrue on all unpaid sums at the rate of ( %) percent per annum for three years commencing January 13, 1985, at the rate of ( . %) percent per annum for the next four years and at the rate of ( . %) percent per annum for the final three years.

Provided, however, that Normandy may, at any time prior to January 13, 1985, satisfy the note in full by paying the sum of (\$ ) Dollars plus interest accrued to the date of such payment.

During the three years commencing January 13, 1985, payments shall be made at the rate of \$ per month. During the next four years, monthly payments shall be in the amount of \$ . During the final three years, monthly payments shall be made in the amount of \$ . The remaining principal balance to be paid at the end of the ten year period is the sum of \$:

Normandy reserves the right to prepay, in whole or in round multiples of One Thousand (\$1,000.00) Dollars, the principal or interest without penalty. At the option of the Payee, the then balance shall be due and payable in the event of a sale of the assets of Normandy or a sale or other transfer of a majority of Normandy stock.

The principal sum of this note, together with all accrued interest, shall become due at the option of the said Payee, or the

executors, administrators, or assigns of the said Payee, after an uncured default as specified in the security agreement entitled "Settlement Agreement" of even date herewith. All of the covenants and agreements made by Normandy in said Settlement Agreement are hereby made part of this instrument.

This note may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Signed and sealed this 13<sup>th</sup> day of January, 1984.

NORMANDY BROADCASTING  
CORPORATION

S E A L

By:

S/  
Christopher P. Lynch,  
President

ATTEST:

Secretary

#### GUARANTY

GUARANTY given by Christopher P. Lynch, the undersigned, to induce the acceptance of the within note by Tonie Lynch Finch.

1. Obligation. In consideration of the loan made upon such note, the undersigned hereby unconditionally guarantees to the said Tonie Lynch Finch, her executors, administrators or assigns, and to every subsequent holder of such note, irrespective of the existence, extent, or value of any collateral, that all sums stated therein to be payable on such note shall be promptly paid in full, in accordance with the provisions thereof, at maturity, by acceleration

or otherwise, and, in case of any extension of time of payment or renewal in whole or in part, all sums shall be promptly paid when due according to such extension or extensions, renewal or renewals, at maturity, by acceleration or otherwise.

2. Consent. The undersigned hereby consents that at any time, without notice to the undersigned, payment of any sums payable on such note, or of any of the collateral therefor, may be extended, or such note or any of such collateral may be renewed in whole or in part, or any of such collateral may be exchanged, surrendered, or otherwise dealt with as the holder of such note may determine (so long as any dealings with collateral do not violate the terms of the Settlement Agreement), and that any of the acts mentioned in such note may be done, all without affecting the liability of the undersigned.

3. Indorsement. The signature of the undersigned hereto shall constitute an indorsement of such note.

4. Waiver. The undersigned hereby waives presentment, demand for payment by the maker or anyone else, protest, and notice of non-payment, dishonor, or protest of such note, and all other notices and demands, except to the extent notices are required by the Settlement Agreement.

Dated: Albany, New York  
January 13, 1984

C/  
Christopher P. Lynch

**CERTIFICATE OF SERVICE**

I, Debra A. Williams, a secretary with Rosenman & Colin, certify that on this 21st day of February, 1992, I have sent by pre-paid, first-class mail, or have caused to be hand-delivered, as indicated, a copy of the foregoing **STATEMENT OF DIVERSIFICATION AND INTEGRATION OF NORMANDY BROADCASTING CORPORATION** to each person on the attached List I.

  
**Debra A. Williams**

Glens Falls, New York  
2/6/92

LIST I

David F. Tillotson, Esq.  
Arent, Fox, Kintner, Plotkin & Kahn  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036-5339  
(Counsel for Lawrence N. Brandt)

Y. Paulette Laden, Esq.  
Gary Schonman, Esq.  
Federal Communications Commission  
Hearing Branch, Enforcement Division  
2025 M Street, N.W., Room 7212  
Washington, D.C. 20554

\*Hon. Richard L. Sippel  
Administrative Law Judge  
Federal Communications Commission  
2000 L Street, N. W.  
Room 214  
Washington, D.C. 20554

- Delivered by hand.